GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:56
ANSWERED ON:19.11.2001
CRISIS IN FOOD PROCESSING INDUSTRIES
VARKALA RADHAKRISHNAN

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether there are any crisis in the food processing industries;

(b) if so, the details thereof;

(c) the details of requests of such units pending for tax exemption; and

(d) the remedial steps Government propose to take in this regard?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (PROF. CHAMAN LAL GUPTA)

(a) to (d): While no reports regarding any crisis in Food Processing Industries have been brought to the notice, the constraints faced by the industries include lack of Infrastructural Facilities, Low Margins, Seasonality, High Perishability, Multiplicity of Laws, Tax Structure, Market Development etc.

Rationalisation of tax structure is a continuous process and Government have been taking steps in this regard from time to time. In the current financial year Excise Duty on Processed Fruits and Vegetable has been brought down from 16% to 0%.

The Ministry of Food Processing Industries has initiated action for formulating a National Food Processing Policy and for this purpose draft policy has been prepared which envisages, among other things, creation of enabling environment, Infrastructural Development, Linkages at farm level, Rationalisation of Tax Structure etc.